agency's decision requires the affirmative vote of at least a majority of the members present. In circumstances in which members abstain from voting, a Panel decision to reverse an agency's classification decision requires the affirmative vote of at least a majority of the members present.

(h) *Notification.* The Executive Secretary promptly notifies the appellant and designated senior agency official in writing of the Panel's decision.

(i) *Agency appeals.* Within 60 days of receipt of an ISCAP decision that reverses a final agency decision, the agency head may petition the President through the National Security Advisor to overrule the Panel's decision.

(j) *Protection of classified information.* All persons involved in the appeal will make every effort to minimize the inclusion of classified information in the appeal file. Any classified information contained in the appeal file is handled and protected in accordance with the Order and its implementing directives. Information that is subject to an appeal from an agency decision denying declassification under the mandatory review provisions of the Order remains classified unless and until a final decision is made to declassify it.

(k) *Maintenance and disposition of file.* The Executive Secretary shall maintain the appeal file among the ISCAP's records in accordance with 44 U.S.C. 2201–2207 (Presidential Records Act).

§ 2003.14 Dissemination of ISCAP decisions.

The Executive Secretary informs senior agency officials and the public of final ISCAP decisions on appeals under sections 1.8 and 3.5 of the Order.

§ 2003.15 Additional functions.

As directed by the President through the National Security Advisor, the ISCAP performs such additional advisory functions as are consistent with, and supportive of, the successful implementation of the Order.

PART 2004—NATIONAL INDUSTRIAL SECURITY PROGRAM DIRECTIVE NO. 1

Subpart A—Implementation and Oversight

Sec.

Subpart B—Operations

AUTHORITY: Executive Order 12829, January 6, 1993, 58 FR 3479, as amended by Executive Order 12885, December 14, 1993, 58 FR 65863.

SOURCE: 71 FR 18007, Apr. 10, 2006, unless otherwise noted.

Subpart A—Implementation and Oversight

§ 2004.5 Definitions.

(a) ''Cognizant Security Agencies (CSAs)'' means the Executive Branch departments and agencies authorized in EO 12829, as amended, to establish industrial security programs: The Department of Defense, designated as the Executive Agent; the Department of Energy; the Nuclear Regulatory Commission; and the Central Intelligence Agency.

(b) ''Cognizant Security Office (CSO)'' means the organizational entity delegated by the Head of a CSA to administer industrial security on behalf of the CSA.

(c) ''Contractor'' means any industrial, education, commercial, or other entity, to include licensees or grantees that has been granted access to classified information. Contractor does not include individuals engaged under personal services contracts.

(d) ''National Interest Determination (NID)'' means a determination that access to proscribed information is consistent with the national security interests of the United States.

(e) ''Proscribed information'' means Top Secret; Communications Security, except classified keys used for data transfer; Restricted Data; Special Access Program; or Sensitive Compartmented Information.

[71 FR 18007, Apr. 10, 2006. Redesignated and amended at 75 FR 17306, Apr. 6, 2010]

§ 2004.10 Responsibilities of the Director, Information Security Oversight Office (ISOO) [102(b)].[1]

The Director ISOO shall:

(a) Implement EO 12829, as amended.

(b) Ensure that the NISP is operated as a single, integrated program across the Executive Branch of the Federal Government; i.e., that the Executive Branch departments and agencies adhere to NISP principles.

(c) Ensure that each contractor's implementation of the NISP is overseen by a single Cognizant Security Authority (CSA), based on a preponderance of classified contracts per agreement by the CSAs.

(d) Ensure that all Executive Branch departments and agencies that contract for classified work have included the Security Requirements clause, 52.204–2, from the Federal Acquisition Regulation (FAR), or an equivalent clause, in such contract.

(e) Ensure that those Executive Branch departments and agencies for which the Department of Defense (DoD) serves as the CSA have entered into agreements with the DoD that establish the terms of the Secretary's responsibilities on behalf of those agency heads.

§ 2004.11 Agency Implementing Regulations, Internal Rules, or Guidelines [102(b)(3)].

(a) *Reviews and Updates.* All implementing regulations, internal rules, or guidelines that pertain to the NISP shall be reviewed and updated by the originating agency, as circumstances require. If a change in national policy necessitates a change in agency implementing regulations, internal rules, or guidelines that pertain to the NISP, the agency shall promptly issue revisions.

(b) *Reviews by ISOO.* The Director, ISOO, shall review agency implementing regulations, internal rules, or guidelines, as necessary, to ensure consistency with NISP policies and procedures. Such reviews should normally occur during routine oversight visits, when there is indication of a problem that comes to the attention of the Director, ISOO, or after a change in national policy that impacts such regulations, rules, or guidelines. The Director, ISOO, shall provide findings from such reviews to the responsible department or agency.

§ 2004.12 Reviews by ISOO [102(b)(4)].

The Director, ISOO, shall fulfill his monitoring role based, in part, on information received from NISP Policy Advisory Committee (NISPPAC) members, from on-site reviews that ISOO conducts under the authority of EO 12829, as amended, and from complaints and suggestions from persons within or outside the Government. Findings shall be reported to the responsible department or agency.

Subpart B—Operations

§ 2004.20 National Industrial Security Program Operating Manual (NISPOM) [201(a)].

(a) The NISPOM applies to release of classified information during all phases of the contracting process.

(b) As a general rule, procedures for safeguarding classified information by contractors and recommendations for changes shall be addressed through the NISPOM coordination process that shall be facilitated by the Executive Agent. The Executive Agent shall address NISPOM issues that surface from industry, Executive Branch departments and agencies, or the NISPPAC. When consensus cannot be achieved through the NISPOM coordination process, the issue shall be raised to the NSC for resolution.

[1] Bracketed references pertain to related sections of Executive Order 12829, as amended by E.O. 12885.